



House Industry Business and Labor Committee

03/10/21

HB 1175

Chairman Klein and committee members, my name is Don Larson and I am speaking today on behalf of the National Federation of Independent Business (NFIB). NFIB is a non-profit, non-partisan organization and is the nation's largest small business advocacy group.

In North Dakota we represent more than 2,000 small businesses. Our average member has 10 employees and gross sales of approximately \$500,000 per year.

NFIB research shows 70% of small businesses are very concerned about liability protections. And, according to our 2021 NFIB North Dakota Ballot, 92% of our North Dakota members support liability protection.

Liability protection would not be extended to those businesses exhibiting gross misconduct or negligence. Liability protection would only apply to those that follow federal, state and local guidance. Therefore, if a business makes a good faith effort to follow guidelines to safeguard employees and customers, it should be protected from frivolous lawsuits.

Small businesses are particularly sensitive to frivolous legal action. Even when doing everything correctly, simply fighting such a lawsuit could put the viability of the business in danger. These lawsuits can be extremely costly to a small business owner, financially and emotionally. The last thing our beleaguered businesses need is to fend off a costly and frivolous lawsuit. If they are still in

business, many may be one frivolous lawsuit away from closing for good, taking the livelihoods and the jobs they created with them.

This legislation is a no-brainer. Small businesses create most of the net new jobs. It only makes sense to protect them from frivolous legal action.

Thank you, Chairman Klein and members of the committee.